

## MEDICAID REIMBURSEMENT OF SCHOOL-BASED HEALTH SERVICES

The Virginia Medicaid program began covering school-based health services on October 1, 1991, when the Department of Education (DOE) and the Department of Medical Assistance Services (DMAS) entered into an agreement that permitted school divisions to bill DMAS for services to children in special education. The initial agreement addressed occupational, physical, and speech therapy services the school divisions provide to Medicaid enrolled children with special education needs. To begin billing, school divisions which have qualified providers such as physical therapists enroll with DMAS. DMAS reimburses the school division only the federal share of the payment for the services provided to the special education students. School divisions furnish documentation on a quarterly basis of the expenditures for services billed to DMAS, which serves as the match for the federal payment from DMAS. Provider training is offered to newly enrolled school divisions and to those divisions interested in coverage updates. School-based services are covered for children enrolled under Medicaid and the Family Access to Medical Insurance Security Plan (FAMIS).

The Interagency Agreement between the Department of Education and DMAS was revised in December 2000. The Agreement includes a description of the Individuals with Disabilities Education Act, the development of DMAS coverage of school-based services, and a description of the responsibilities of both state offices.

Since the start of DMAS coverage in 1991, school-based services coverage has expanded as follows:

- Audiological screening and transportation services were added in 1993.
- Coverage of school-based health centers was added in 1993. Coverage is currently limited to health screenings. DMAS reimburses both the federal and state shares for these services.
- Coverage of skilled nursing for children with special needs was added on July 1, 1997, at the direction of the 1997 General Assembly. The covered skilled nursing services include dressing changes and urinary catheterizations. The 1999 General Assembly directed that certain changes be made to the DMAS coverage of services for children with special education needs. These include: reimbursement of school divisions for psychology and psychiatry services; recognition of additional types of psychologists and speech therapists as qualified providers of services; and revisions to the interagency agreement between DMAS and the Department of Education. Emergency regulations for the additional services and providers were effective January 2000. DMAS promulgated permanent regulations effective January 2001.
- The 2002 General Assembly directed that DMAS increase the amount of federal Medicaid funds drawn-down in Virginia. DMAS coverage of school-based services is a major part of this. DMAS is currently undertaking the regulatory process to add services to the state plan, which involves the Virginia Administrative Process Act and approval of the additional services by the federal office overseeing Medicaid programs which is the Centers for Medicare and Medicaid Services. As of January 2003, DMAS covers administrative claiming for the school divisions for reimbursement of activities such as outreach, coordination of services and referrals. The interagency agreement with the Department of Education will be revised to reflect these changes once the regulatory process for the additional state plan services is concluded.

DMAS reimbursement by school division is shown on the following page.

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